



**The United Republic of Tanzania
Ministry of Agriculture
Agricultural Marketing Section**

MONTHLY MARKET BULLETIN

July, 2020

Introduction

This bulletin provides monthly highlights on market prices of major food crops across domestic markets and to some regional markets. The bulletin also provides global market information on traditional export crops (coffee, cotton, tea, tobacco and cocoa), import substitution commodities (sugar, edible oil and wheat) and farm inputs (fertilizer). Information in this bulletin provides a benchmark to key players along the respective value chains to make informed decisions.

Disclaimer: The views expressed in this bulletin are those of the authors and may not reflect those of **the Ministry of Agriculture (MoA)**. This bulletin is strictly for informational purposes only. The authors have made every effort to ensure accuracy of information provided; however, neither the Ministry of Agriculture nor the authors can guarantee such accuracy

Key Messages

- ✓ *On average, prices for major staples declined in July by 3% on rice, 5% on dry-beans and 11% on sorghum. On the other hand prices for maize and round potatoes increased by 2% and 6% respectively. While prices for maize, rice and round potatoes varied in line with seasonal trends and close to their five-year average, dry-beans and sorghum prices remained above their five-year average. Prices are anticipated to increase and remain above average during the September to October period because of high demand in neighbour countries.*
- ✓ *Overall, prices for Arabica coffee are on the increase, marking 12% increase in July while prices for Robusta have increased by 5% due to slight increase in the demand for Robusta.*
- ✓ *Prices for cotton and edible oil increased by 1% and 7% respectively due to increased demand in the world market.*
- ✓ *The prices for DAP increased by 12% while the price for Urea increased by 6% due to slight increase in demand.*
- ✓ *Global prices for other traditional export crops continued to drop in July, with a decline of 3% on tea, 6 on cocoa and 1% on tobacco, while wheat prices US SRW increased by 6% and wheat US HRW prices remains constant.*

I. National Monthly average prices of staple food commodities

Table 1: National average market price of major staple food (TZS/100 kg bag)

Commodity	June	July	% Change
Maize	56,900	58,000	▲ 2
Rice	151,000	147,000	▼ 3
Dry beans	201,000	190,000	▼ 5
Sorghum	117,500	105,000	▼ 11
Round potatoes	78,000	82,200	▲ 6

Maize

The price of maize remained fairly stable with a marginal monthly increase of 2% in July. The average wholesale price recorded in July was TZS 580/kg (Table 1). On the other hand, market prices in July 2020 indicated a decline of about 6 % compared to prices in same period last year (Figure 1). Similarly, the country's average wholesale prices for July 2020 were slightly above their five-year July averages by 2%. The decrease in prices in July is a reflection of improved supply situation. However, prices are expected to increase in the following months as supply have started to tighten.

Rice

On average rice prices decreased slightly by 2% from TZS 1,510 to 1,470/kg between June and July (Table 1). Similarly, market prices in July dropped by 9% compared to prices in July last year and were below by 6 % when compared to its five-year July averages (Figure 2). Prices are anticipated to remain stable or increase slightly in August as significant supply from the seasonal harvest continues to flow in the markets.

Figure 1: Average market and real price of maize during month of July, 2016-2020

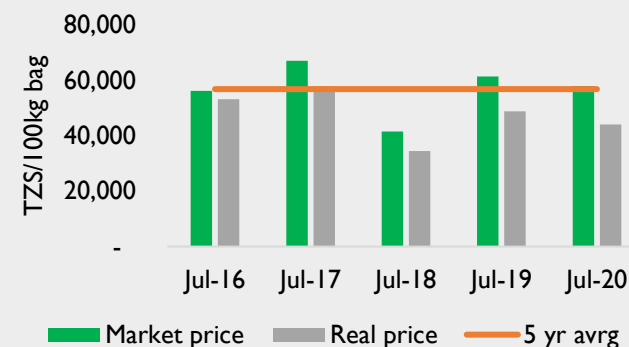
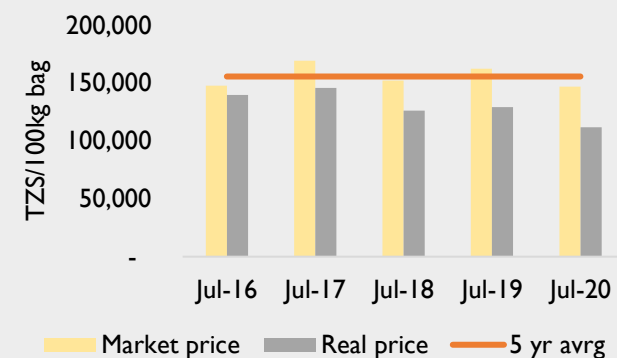


Figure 2: Average market and real price of rice during month of July, 2016-2020



Dry beans

Although beans prices declined by 5% between June and July, from an average of TZS 2,010. /kg to TZS1,900/kg, prices in July increased by 19% compared to market prices in July last year (Figure 3). Similarly, the country's average wholesale prices for July were above their five-year July averages by 16%. Higher prices in July resulted from too above average much rainfall hence less production. Prices are likely to rise even more in the coming months as supply continues to decrease.

Sorghum

Sorghum prices increased significantly by 32% in July compared to prices in the same period last year. Similarly, prices for July were higher by 14% compared to its five-year July averages (Figure 4). However, on a monthly basis prices decreased by 11% between June and July from an average of TZS 1,17. /kg to TZS1,050/kg.

Figure 3: Average market and real price of dry beans during month of July, 2016-2020

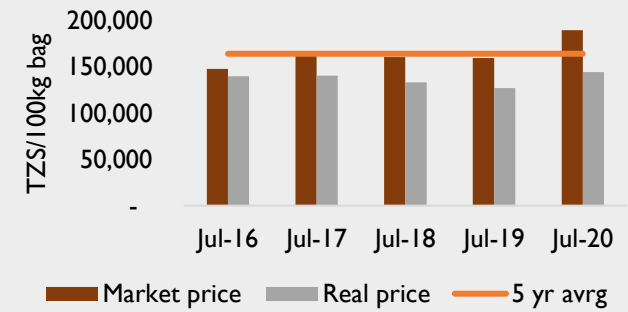
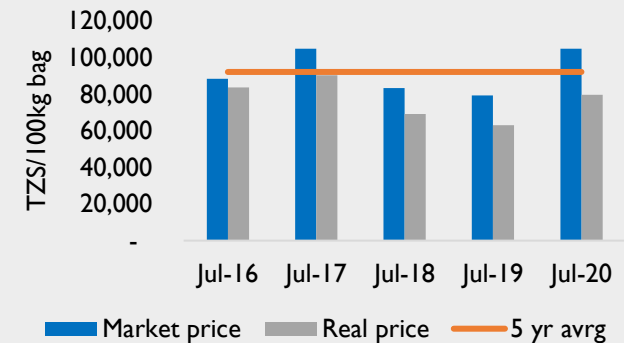


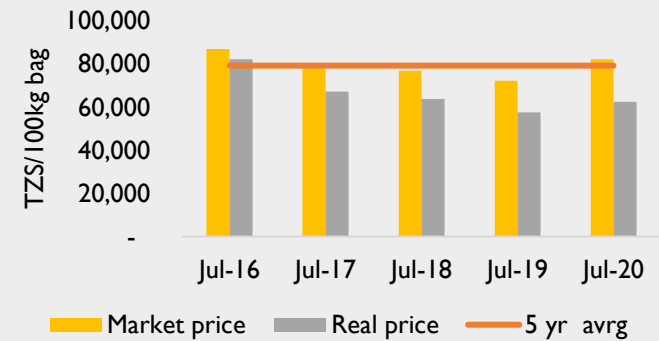
Figure 4: Average market and real price of sorghum during month of July, 2016-2020



Round potatoes

National average wholesale prices increased by 6% from TZS 780/kg in June to TZS 820/kg in July. Also, prices have increased by 14% compared to prices in similar period last year and by 4% higher than its five-year July averages. Prices are likely to increase slightly as demand increases following resumption of economic activities post Covid-19 such as re-opening of tourism, schools and colleges where consumption of round potatoes is high.

Figure 5: Average market and real price of round potatoes during month of July, 2016-2020



NOTES

- ✓ Consumer Price Index (CPI): Food index base year Dec. 2015=100
- ✓ CPI figures based on Food -combining food consumed at home and food consumed in restaurant
- ✓ Market price: Refer to nominal or observable prices
- ✓ Real price: Refer to nominal/market prices adjusted for inflation
- ✓ Price level: National average wholesale
- ✓ **Source of data: Ministry of Industry and Trade**

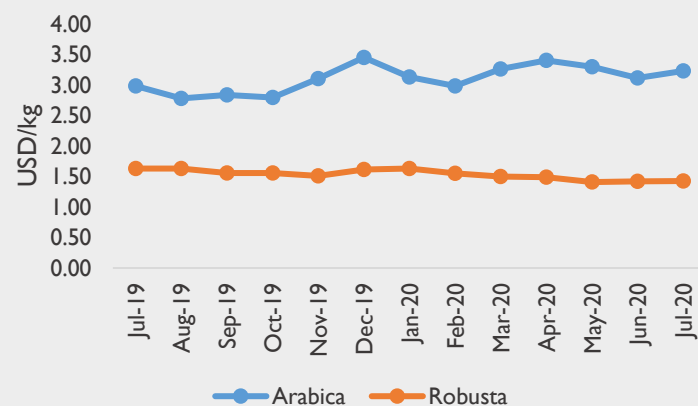
2. World Market prices of selected commodities (Source: World Bank)

Coffee

While price of Arabica increased by 12 % those of Robusta slightly increased by 5 % (Figure 6). Arabica prices have been affected by weather (heavy rains) and labor restrictions in Brazil due to Covid-19. Therefore, prices are expected increase in following months due to anticipated 20% drop in global coffee production 2019/2020.

Benchmark: Coffee (ICO), International Coffee Organization indicator price, other mild Arabicas, average New York and Bremen/Hamburg markets, ex-dock

Figure 6: Average price of coffee, July 2019- July 2020

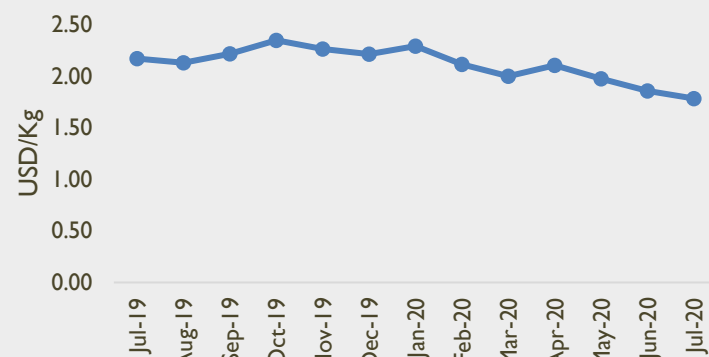


Tea

Tea prices declined steadily over the last three months due to ample supplies in Kenya auction market and supply disruption to various importing countries such as India due to Covid-19 lockdown. Prices decreased by 3% in the reporting period compared to prices recorded in June (Figure 7). Tea prices are projected to drop even further (up to 10%) in 2020, mostly due to weak demand.

Benchmark: Tea (Mombasa/Nairobi auctions), African origin, all tea, arithmetic average of weekly quotes

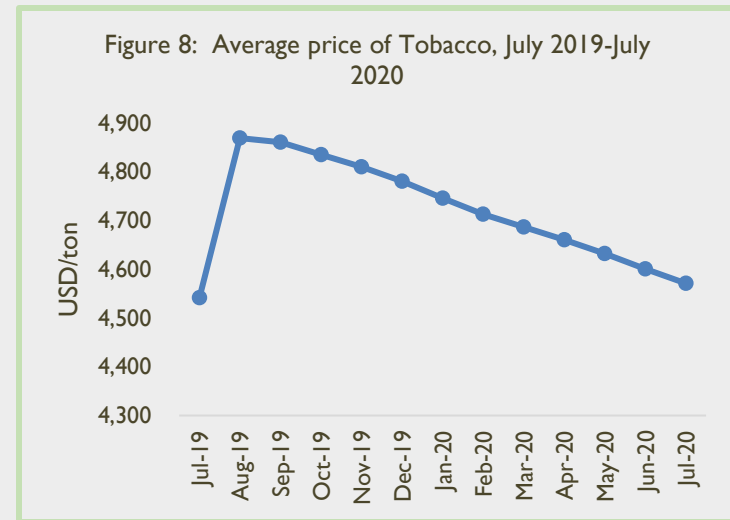
Figure 7: Average price of Tea at Mombasa Auction, July 2019- July 2020



Tobacco

Tobacco prices are on the decline from USD 4,870/ton in August 2019 to USD 4,600 in July 2020 (Figure 8). Prices are expected to continue declining due to increase in supply following the ongoing seasonal harvest in some African countries including Tanzania.

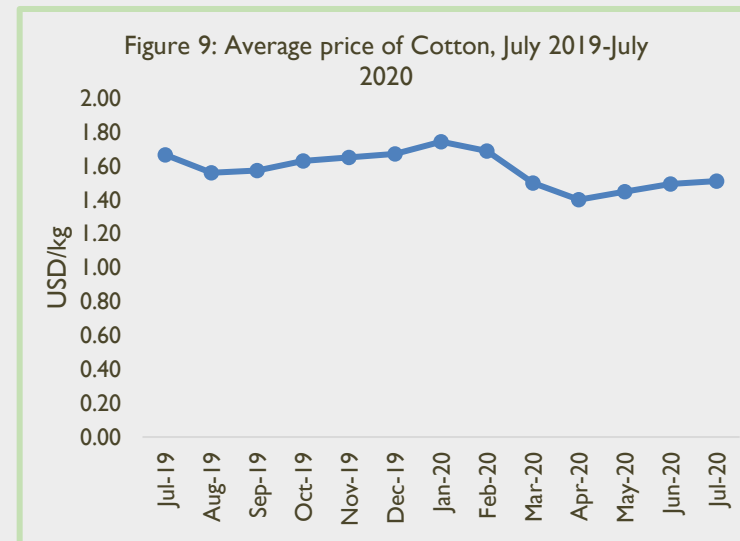
Benchmark price: Tobacco (any origin), unmanufactured, general import, cif, US



Cotton

Cotton prices increased slightly between April and July. In July, cotton prices recorded a slight increase of 1% compared prices in to June (Figure 9). Cotton prices continued to increase slightly due to increased demand especially from China where they have opened economic activities after lockdown from COVID -19 pandemic. Generally, prices in 2020 are expected to be lower to about 20% in 2020 compared to 2019.

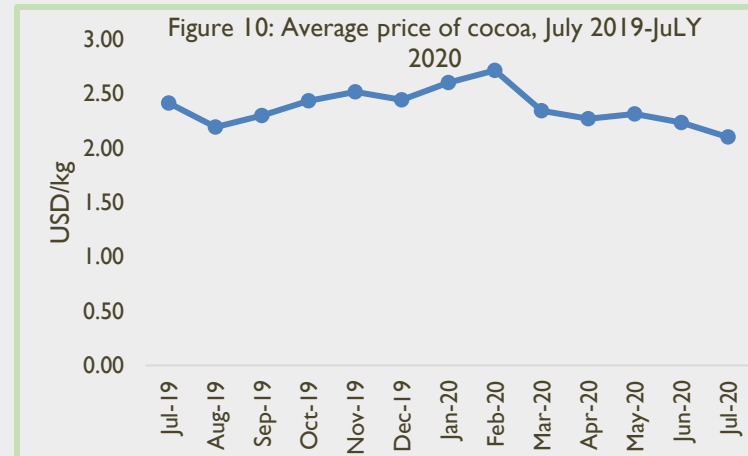
Cotton (Cotton Outlook "CotlookA index"), middling 1-3/32 inch, traded in Far East, CIF beginning 2006; previously Northern Europe, c.i.f.



Cocoa

International prices declined in July by 6% from prices recorded in June due to lower demand associated with Covid-19 (Figure 10). While global production is expected to increase by 2% in 2020, demand and prices are projected to shrink by 4% each in 2020.

Benchmark: Cocoa (ICCO), International Cocoa Organization daily price, average of the first three positions on the terminal markets of New York and London, nearest three future trading months.

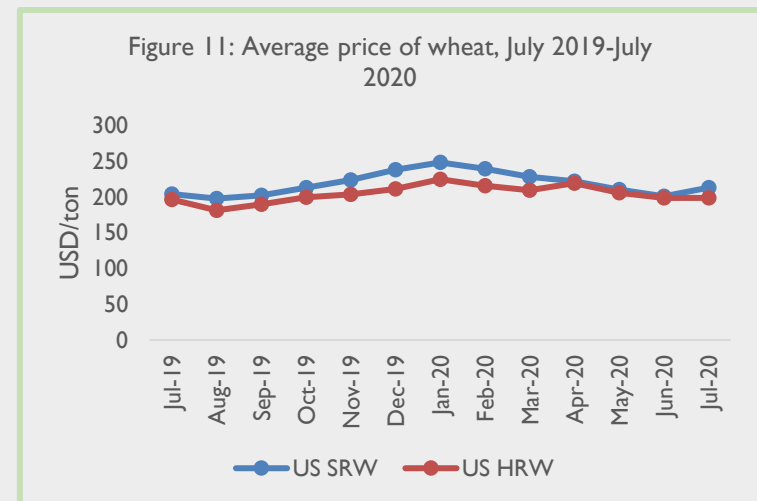


Wheat

Global wheat US SRW and wheat US HRW prices converged and dropped since April. However, in July prices (US SRW) increased by 6% from USD 200/ton recorded in June to USD 212.74/ton in July while wheat US HRW prices remained constant at USD 198/ton (Figure 11). Global production in 2020 is expected to increase by 5% more than the previous season while consumption will grow by 2%. This implies that there will be a sufficient stock and prices will not change significantly.

Wheat (US), no. 1, hard red winter (HRW), ordinary protein, export price delivered at the US Gulf port

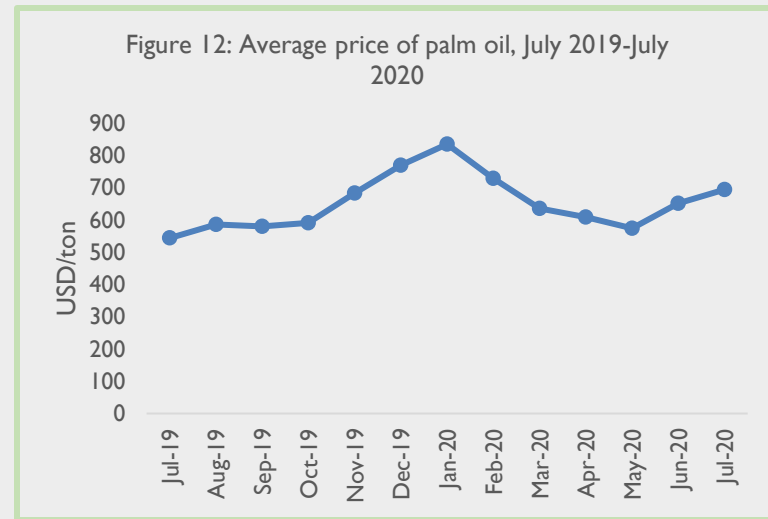
Wheat (US), no. 2, soft red winter (SRW), export price delivered at the US Gulf port for



Edible Oil

Global palm oil prices gained by 7% over the last month from USD 652/ton in June to USD 694/ton in July (Figure 12). Global production of edible oil up to September 2020 looks promising despite some price fluctuations.

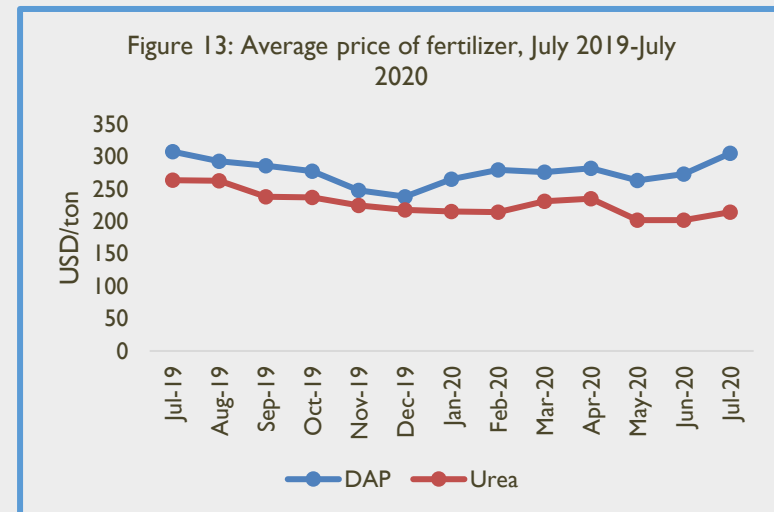
Ref: *Palm oil (Malaysia)*



Fertilizer

In July, international fertilizer prices showed slight increase as compared to June. DAP prices increased by 12% from USD 273/ton in June to USD 305/ton in July. Urea prices increased by 6% from USD 202/ton in June to USD 214/ton in July (Figure 13). Although global supply remains plentiful, especially in Morocco and Saudi Arabia due to Covid-19, prices are projected to remain at lower levels throughout 2020 (World Bank Report, April 2020).

Ref: *DAP (Diammonium phosphate), spot, f.o.b. US Gulf; Urea, (Ukraine), f.o.b. Black Sea*



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